



Norman H. Bangerter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

July 9, 1990

TO: Board of Oil, Gas and Mining

THRU: Dianne R. Nielson, Director

THRU: Lowell P. Braxton, Associate Director, Mining *L13*

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Request for Board Concurrence, Permit Transfer, Amount and Form of Replacement Reclamation Surety, Ideal Basic Industries, Inc. to Holnam Incorporated, Poverty Point Limestone Quarry and Devil's Slide Plant & Quarry, M/045/012, and M/029/001, Tooele and Morgan Counties, Utah

The Division seeks the Board's concurrence and acceptance of the amount and form of replacement reclamation surety provided by Holnam Incorporated (Holnam) for Ideal Basic Industries, Poverty Point Limestone Quarry and Devil's Slide Plant & Quarry. Holnam has recently acquired these mining properties from Ideal Basic Industries through a corporate merger. Holnam will now assume continued operations and reclamation responsibilities for these mine projects.

Executive Summaries are attached for both operations, along with copies of the Permit Transfer forms (FORM MR-TRL), the original reclamation surety estimates, and the new Reclamation Contract (Form MR-RC) Agreements. Safeco Insurance Company of America is the surety providing/guaranteeing the surety bonds. This company is on the 1989 Federally published list of companies found acceptable as sureties and reinsurers on Federal bonds.

Thank you for your time and consideration of this permitting action.

dwh  
Attachments  
WMN2/28

DOGM MINERALS PROGRAM

CHECK LIST FOR BOARD APPROVAL  
OF  
FORM AND AMOUNT OF SURETY

Mine Name POVERTY POINT LIMESTONE QUARRY

File No. M/045/012

Item	Provided		Remarks
	Yes	No	
Executive Summary	X		From Original Issuance of Permit
Location Map	X		
Reclamation Bond Estimate	X		Original Bond Estimate
Signed Reclamation Contract	X		
Signed Power of Attorney/ Affidavit of Qualification	X		
Bond	X		
Surety Signoff (Other State/Federal Agencies)		X	NA

EXECUTIVE SUMMARY  
\*\*\*\*\*

IDEAL BASIC INDUSTRIES  
Poverty Point Limestone Quarry  
Tooele County, Utah

Section 16, Township 1 North, Range 8 West  
ACT/045/012

February 25, 1981

#### LOCATION:

The proposed limestone quarry is located in Tooele County approximately 50 miles west of Salt Lake City and 5 miles north of I-80 at the southern end of the Lakeside Mountains, a small mountain range bordering the western edge of the Great Salt Lake. Access is via the Rowley Exit. The property is owned by the State of Utah and involves a 320 acre State Mineral Lease (ML-36110), in Section 16, Township 1 North, Range 8 West. See attached map for exact location.

#### SOILS AND GEOLOGY:

Topography is fairly rugged with elevations ranging from 4,600 to 5,400 feet.

Bedrock underlying the lease consists of (in descending order) the Mississippian Great Blue Limestone Formation and Mississippian Humbug Formation.

The Great Blue Limestone is exposed over the majority of the lease. This formation is approximately 700 feet thick and consists of dark grey to black, fine to coarsely crystalline, massive limestone. Silica rich (cherty) zones are common throughout the formation. Only approximately the lowermost 150 feet of the formation are present in the vicinity of the lease.

Underlying the Great Blue Limestone is the Humbug Formation. In the vicinity of the project site, this unit is approximately 300 feet thick and consists of interbedded massive sandstones and limestones.

#### HYDROLOGY:

The project site is devoid of permanent surface water resources. One unnamed swale traverses the lease, bisecting the western third and flowing south. This swale probably flows during heavy runoff but no records are available to document frequency. The swale does not cross the quarry so complications are not anticipated. Likewise, little is known about groundwater. The information which is available indicates that groundwater is generally saline (1500 ppm TDS) and depth to the water table is 200 to 300 feet minimum. No groundwater studies have been done specifically for the project area. According to data collected during a 9 year period (1966-1975) from the Callister Ranch, 5 miles east of the proposed quarry site, the average annual precipitation is 12.4 inches.

EXECUTIVE SUMMARY  
PAGE TWO

ECOLOGY:

Vegetation in the vicinity of the Poverty Point lease is typical of shrub habitat in the Great Basin being composed of a mixture of sagebrush and shadscale communities. Sagebrush (*Artemisia* sp.) and hop sage (*Grayia spinosa*) are the dominate shrubs with winter fat (*Eurotia lanata*) and shadscale (*Atriplex confertifolia*) interspersed. A recent disturbance, mainly overgrazing, is evidenced by the presence of Russian thistle (*Salsola Kali*) and the widespread dominance of cheatgrass (*Bromus* sp.), an introduced species that invades disturbed areas. Bunchgrass is common along drainage areas with limited distribution elsewhere. Utah juniper (*Juniperus Utahensis*) is randomly scattered along drainage areas and north facing slopes of hills around the project site. Grasses cover approximately 18 percent, forbs 1 percent, and shrubs 11 percent.

No threatened or endangered plant species are recorded for Tooele County.

The Poverty Point lease is located in an area of limited value to wildlife species because of its low plant productivity and simple habitat structure. The only big game in the area are antelope and occasional mule deer. Upland game include cottontails and chukar. The abundance and use of these resources are unknown. A variety of other wildlife species potentially occur on the site including jackrabbits, ground squirrels, pocket and field mice, kangaroo rats, wood rats, coyotes, kit foxes and badgers. The most common birds found in the area are Horned Larks, Western Meadowlarks, House Finches and Common Ravens. Less abundant birds are Retailled Hawks, Golden Eagles, Marsh Hawks, and several species of flycatchers and sparrows. A variety of reptiles such as snakes and lizards probably inhabit the site. No endangered or threatened species are known to occur in the area although a historical Peregrine Falcon aerie is located near I-80 some 3 miles south of the project.

No permanent streams supporting a sport fishery are found near the lease. The intermittent streams in the vicinity contain little or no aquatic life.

In general, the limited habitat, low water availability and heavy grazing in the area make the lease site unsuitable for most wildlife species.

The lease is presently used for cattle and sheep grazing and possibly for outdoor recreation such as hunting. The lease contains about 20 AMU's (animal month units); however, the area to be quarried has little value for grazing due to exposed rock and steep slopes. Rock outcrop area's are estimated to represent approximately 18 percent of the 50 acre quarry area.

STRUCTURES AND FACILITIES:

The mining operation will consist of a total of approximately 59 acres and includes the quarry, access-haul road, topsoil and overburden storage area, ore stockpile area, and a portable on-site crushing and screening plant.

EXECUTIVE SUMMARY  
PAGE THREE

MINING AND RECLAMATION:

The mining plan for the quarry calls for working at a rate of approximately 1 acre per year for an overall life of about 50 years.

All of the quarried material will be crushed by a portable crusher at the site prior to transfer. The portable crusher will be a single unit, consisting of a primary jaw crusher, screens, and a secondary cone crusher. The mining operation will involve the following steps:

During Operations:

1. All available topsoil (growth media) will be stockpiled and protected for final revegetation purposes.

2. Waste rock from the foot of the quarry will be used as fill in the limestone storage and truck loadout area. Waste rock overburden from the upper quarry area will be blasted and dozed laterally and downhill to the worked out quarry floor.

3. Mining will be conducted in a safe, orderly, and minerlike fashion and in such a manner as to minimize visual and environmental degradation.

4. A benching type quarry operation with drill and blast procedures will be utilized.

5. The limestone will be crushed and screened on-site utilizing a portable system, stockpiled, and hauled by truck to the existing plant at Devils Slide.

6. No permanent on-site facilities will be constructed.

7. Fugitive dust will be controlled by chemical stabilization and water.

After Operations:

1. All extraneous debris, scrap metal, wood, trash, and structures will be removed from the site.

2. All storage piles and fills will be regraded to minimize erosion and safety hazards, and all highwalls will be reclaimed by backfilling or cutting to achieve a slope of 45 degrees or less.

3. Stockpiled growth media will be redistributed over the disturbed areas to the extent that it is available and practical.

EXECUTIVE SUMMARY  
PAGE FOUR

4. All disturbed areas capable of supporting plant growth will be revegetated utilizing fertilizer, mulch, and an approved seed mixture.

5. All disturbed areas will be monitored to ensure that reclamation standards have been met prior to surety release.

IMPACTS:

As a result of the mining operation the limestone deposit will be removed and the original topography will be permanently altered. During the life of the operation, environmental impacts will be minimal due to the remoteness of the site and existing conditions. These impacts should be mitigated upon termination of the operation. Due to the size of the operation, the local socioeconomic impact will be minor.

APPLICATION HISTORY:

July 1, 1980	Notice of Intention and Mining and Reclamation Plan filed.
July 23, 1980	Office visit by Ideal representatives.
Thru October, 1980	Application Review.
January 17, 1981	On-site inspection.
January 19, 1981	Notice of Action to Environmental Coordinating Committee.
January 20, 1981	Meeting with Ideal representatives.
February 4, 1981	Request for additional information.
February 24, 1981	Additional information received.
February 25, 1981	Executive Summary prepared and surety estimated.
February 26, 1981	Plan and Surety presented to the Board.

EXECUTIVE SUMMARY  
PAGE FIVE

SURETY:

Reclamation surety for this operation was estimated by Ideal to be \$29,310.00, less any inflation during the expected 40-50 year life of the operation.

A revised surety has been estimated by the Division to be \$54,000.00, including 13% inflation for a 5 year mine life and 59 acres of disturbance. The surety should be reevaluated every 5 years.

JWS/te



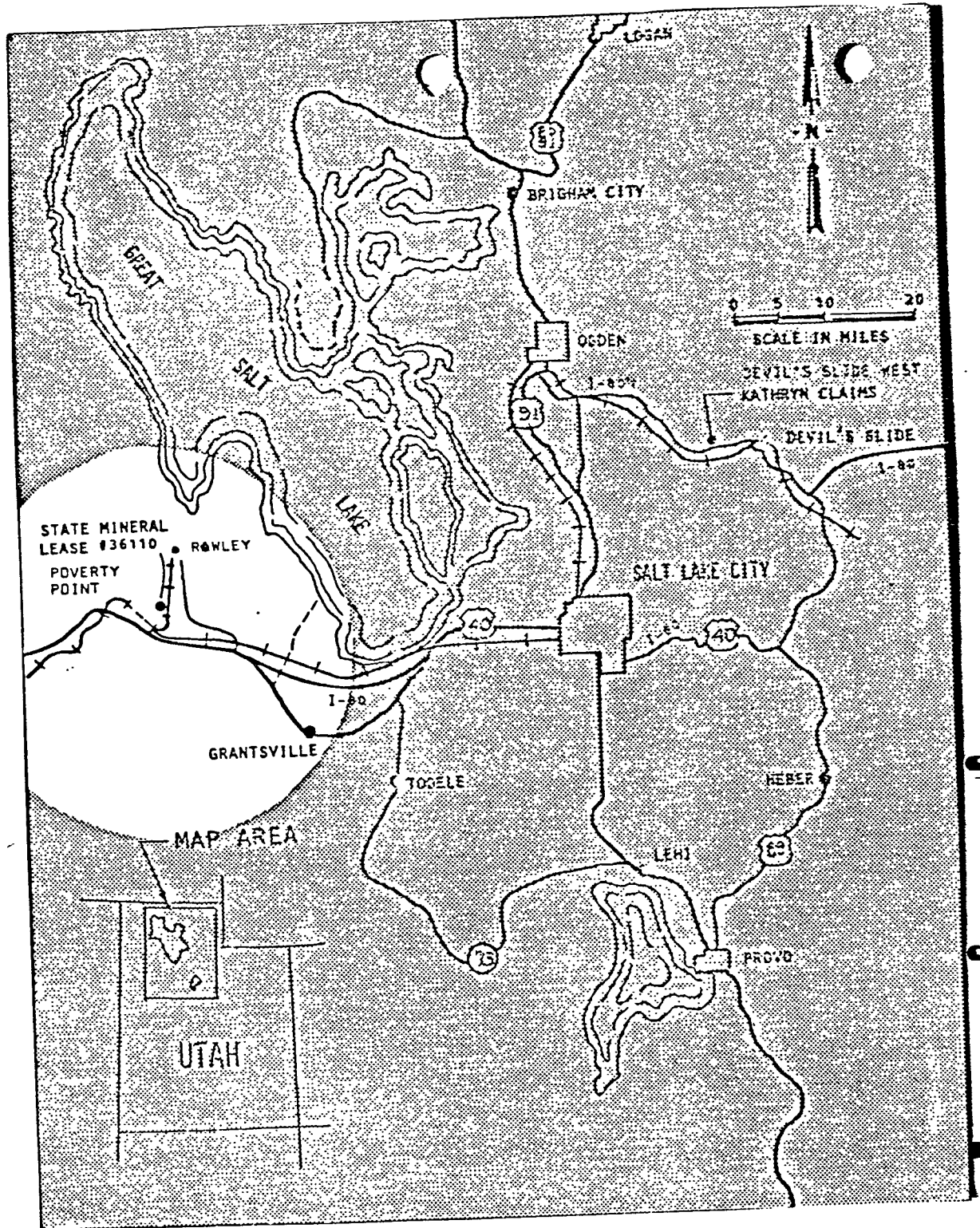
# DIVISION OF OIL, GAS, AND MINING

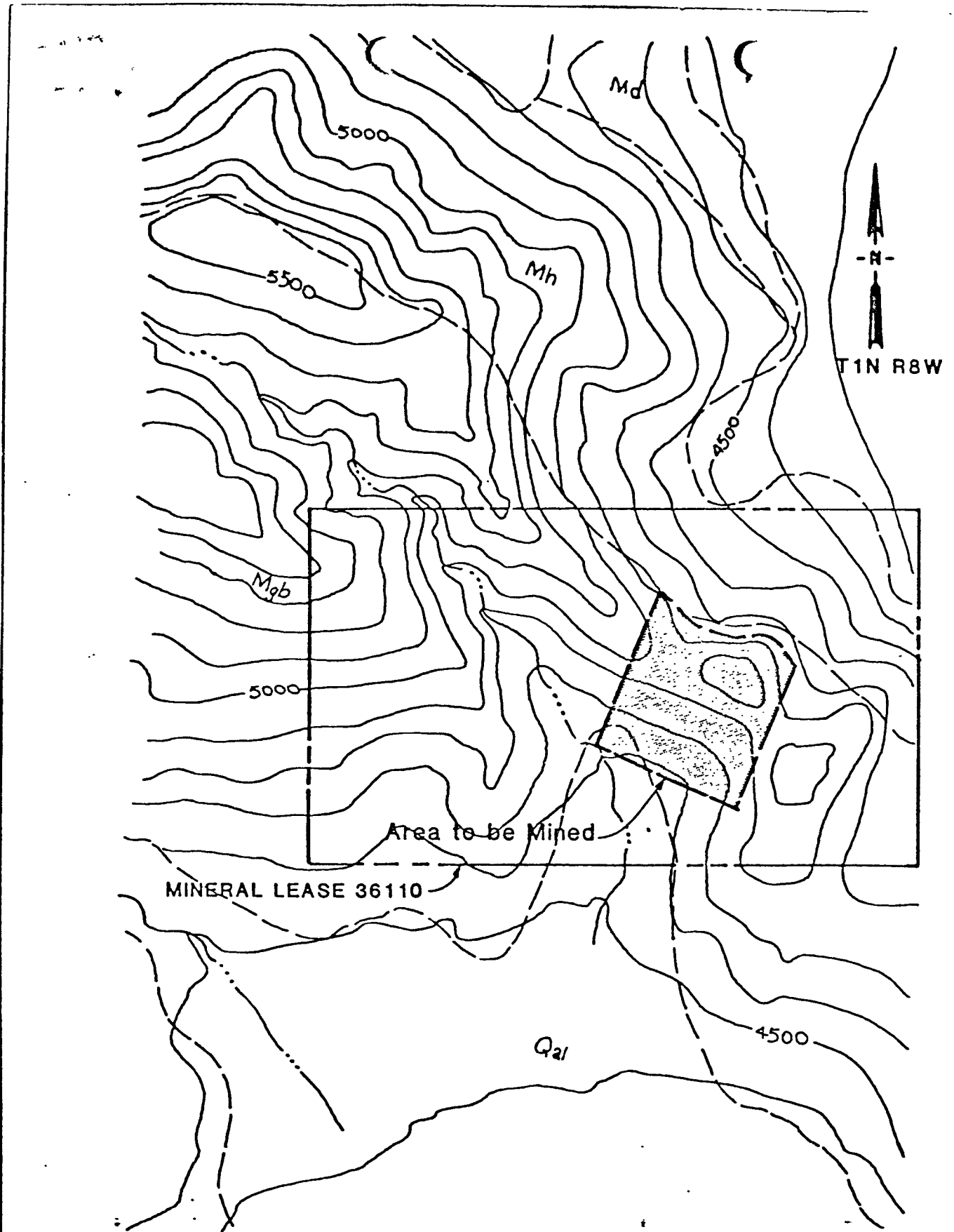
## BOND ESTIMATE

OPERATOR: Ideal Basic Industries  
 MINE NAME: Poverty Point Limestone Quarry  
 LOCATION: Section 16, Township 1 North, Range 8 West  
 COUNTY: Tooele  
 DATE: February 25, 1981

	Operation	Amount	Rate	Cost
A.	CLEAN-UP			
	1. Removal of structures & equipment.	Truck 16 hrs	\$25.00/hour	\$ 400.00
	2. Removal of trash & debris.			
	3. Leveling of ancillary facilities pads and access roads.	Dozer 16 hrs	\$75.00/hour	\$ 1,200.00
B.	REGRADEING & RECONTOURING			
	1. Earthwork including haulage and grading of spoils, waste and overburden.	Dozer 120 hrs	\$75.00/hour	\$ 9,000.00
	2. Recontouring of highwalls and excavations.	Scraper 80 hrs	\$ 60.00/hour	\$ 4,800.00
	3. Spreading of soil or surficial materials.	Included Dozer & drag 24 hours	- \$75.00/hour	- \$ 1,800.00
C.	STABILIZATION			
	1. Soil preparation, scarification, fertilization, etc.	59 acres	\$100/acre	\$ 5,900.00
	2. Seeding or planting.	59 acres	\$50.00/acre	\$ 2,950.00
	3. Construction of terraces, waterbars, etc.	-	-	-
D.	LABOR			
	1. Supervision.	80 hours	\$12.00/hour	\$ 960.00
	2. Labor exclusive of bulldozer time.	200 hours	\$10.00/hour	\$ 2,000.00
E.	SAFETY			
	1. Erection of fences, portal coverings, etc.	-	-	-
	2. Removal or neutralization of explosive or hazardous materials.	-	-	-
F.	MONITORING			
	1. Continuing or periodic monitoring, sampling & testing deemed necessary.	3 inspections	\$100. each	\$ 300.00
			Subtotal	\$29,310.00
G.	OTHER			
	1. 13% inflation for 5 year mine life (to be reevaluated every 5 years)			\$24,690.00
			TOTAL	\$54,000.00

0 MILES WEST OF S. LAKE  
TAKE ROWLEY EXIT - GO ANOTHER  
5 MILES NORTH





Ideal Basic Industries, Inc.

Utah Division  
6055 East Croydon Road  
Auxiliary Route #3  
Morgan, Utah 84050

801-829-6821

DOOM  
MINERALS PROGRAM  
FILE COPY

RECEIVED  
JUN 07 1990

State of Utah, Department of Natural Resources  
Division of Oil, Gas and Mining  
355 W. North Temple, 3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Division of  
OIL, GAS & MINING

**IDEAL**

Re: Ideal merger into parent company Holman Inc.  
Letter of Explanation

To: Mr. D. Wayne Hedberg: Permit Supervisor

The attached items are forms MR-TRL and MC-RC required by your office to transfer Ideal Basic Industries and Holnam Inc. properties to the later. We had previously submitted certain letters, however, these were not complete. We hope this will complete the information required to grant the transfers as requested.

If you have any further information that is required please submit these to Mr. L. B. Giles at the address indicated on the letterhead, or Mr. Kevin Ovard. Mr T. Frank Gamble is not associated with the production portion of our company since the time of this merger, therefore send all further correspondence to Mr. Giles.

L. B. Giles Plant Manager  
Kevin Ovard Technical Supervisor

Ideal Basic Industries  
Aux. Rt. #3  
Morgan, Utah 84050  
801-829-6821

RECEIVED  
JUN 07 1990

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

DOGM  
MINERALS PROGRAM  
FILE COPY

DIVISION OF  
OIL, GAS & MINING

RECLAMATION CONTRACT

---oo0oo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) ACT/045/012  
(Mineral Mined) Limestone

"MINE LOCATION":

(Name of Mine)

Poverty Point Limestone Quarry

(Description)

Portions of S 1/2 Section 16

T. 1 N., R. 8 W., Tooele County,

Utah (see Appendix A)

"DISTURBED AREA":

(Disturbed Acres)

Quarry 8.3 Acres; Roadways 9.0<sup>±</sup>

(Legal Description)

Appendix A

"OPERATOR":

(Company or Name)

Holman Inc.

(Address)

c/o Dundee Cement Company

P.O. Box 122

Dundee, Michigan 48131

(Phone No.)

313-529-2411

"OPERATOR'S REGISTER - AGENT":

(Name)

(Address)

(Phone No.)

Holnam, Ideal C nt

L. B. Giles

6055 East Croydon Road

Morgan, Utah 84050

801-829-6821

"OPERATOR'S OFFICER(S)":

Marc vonWyss President & CEO

James J. Woods Vice President

Robert J. Moir V.P. General Counsel

"SURETY":

(Form of Surety - Exhibit B)

Already on Record State Office

See attached letter

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Safeco Insurance Company of America

"SURETY AMOUNT":

(Escalated Dollars)

\$13,900

"ESCALATION YEAR"

1985 (for 20 acres) - \$695/acre in 1985

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

1984

1986

B "SURETY":

1982, 1983, 1984, 1985

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. ACT/045/012 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing. If the surety contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the reclamation bond, the Operator shall provide a replacement bond in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement bond, the Division may order the Operator to cease further mining activities and to begin reclamation of the site.

3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including attorneys fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.



10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_\_.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

By \_\_\_\_\_  
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By \_\_\_\_\_  
Director Date

STATE OF \_\_\_\_\_ )  
 ) ss:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally  
appeared before me, who being by me duly sworn did say that he/she,  
the said \_\_\_\_\_ is the Director  
of the Division of Oil, Gas and Mining, Department of Natural  
Resources, State of Utah, and he/she duly acknowledged to me that  
he/she executed the foregoing document by authority of law on behalf  
of the State of Utah.

\_\_\_\_\_  
Notary Public  
Residing at: \_\_\_\_\_

\_\_\_\_\_  
My Commission Expires:

OPERATOR:

By Robert J. Moir, Vice President  
Corporate Officer - Position

4/24/90  
Date

STATE OF Colorado )  
 )  
COUNTY OF Denver )

ss.

On the 24th day of April, 1990, personally  
appeared before me Robert J. Moir who being by  
me duly sworn did say that he/she, the said Robert J. Moir  
is the Vice President of Ideal Basic Industries  
and duly acknowledged that said instrument was signed on behalf of  
said company by authority of its bylaws or a resolution of its board  
of directors and said  
Robert J. Moir duly acknowledged to me that said  
company executed the same.

B. H. Frazier  
Notary Public  
Residing at: Denver Colorado

My Commission Expires:  
June 6, 1993

SURETY:

SAFECO INSURANCE COMPANY OF AMERICA

Surety Company

May 9, 1990

Company Officer - Position

Date

STATE OF Colorado )  
 ) ss:  
COUNTY OF Denver )

On the 9th day of May, 1990, personally  
appeared before me Vera T. Kalba who being by me  
duly sworn did say that he/she, the said Vera T. Kalba is  
the Attorney-in-Fact of SAFECO INSURANCE COMPANY OF AMERICA  
and duly acknowledged that said instrument was signed on behalf of  
said company by authority of its bylaws or a resolution of its board  
of directors and said Vera T. Kalba duly acknowledged to  
me that said company executed the same.

*Pamela J. Hansen*  
Notary Public  
Residing at: 1700 Lincoln St. #4900  
Denver, CO 80203

My Commission Expires Nov. 17, 1990

My Commission Expires:

NOTE: An Affidavit of Qualification must be completed and  
attached to this form for each authorized agent or officer. Where  
one signs by virtue of Power of Attorney for a company, such Power  
of Attorney must be filed with this Contract.



POWER  
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
HOME OFFICE SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

No. \_\_\_\_\_

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

-----PATRICIA A. PHILLIPS; VERA T. KALBA; MaSHARON D. POSEY; PAMELA J. HANSEN;  
Denver, Colorado-----

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 9th day of January, 19 90

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Boh A. Dickey, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 9th day of May, 19 90

## APPENDIX "A"

### Legal Descriptions of Permitted and Disturbed Areas Permit ACT/045/012 Poverty Point, Tooele County, Utah

Permit ACT/045/012 concerns a 50 acre parcel (48 acres permitted area plus two acres used for roadway) centrally located in the S/2, Section 16, T.1 N., R.8 W. Tooele County, Utah, described as follows:

Beginning at a point on the west side of haul road. Said point is 160 feet west of the south quarter corner of said Section 16.

thence North 23 degrees 37' 46" East, 349.29 feet  
thence North 58 degrees 54' 10" West, 367.86 feet  
thence North 36 degrees 35' 58" West, 847.01 feet  
thence North 32 degrees 51' 21" East, 1142.80 feet  
thence South 52 degrees 11' 36" East, 734.10 feet  
thence South 82 degrees 14' 05" East, 444.07 feet  
thence South 31 degrees 46' 51" East, 541.13 feet  
thence South 32 degrees 15' 49" West, 1058.42 feet  
thence North 86 degrees 41' 53" West, 520.87 feet  
thence South 22 degrees 25' 33" West, 340.77 feet  
thence West 30.00 feet to the point of beginning.

To date, quarry activities have disturbed approximately 8.3 acres in the south-central part of the above described permitted area. The disturbed area is further described as follows:

Beginning at a point on the east side of haul road. Said point is 360 feet north of the south quarter corner of said Section 16.

thence North 42 degrees 47' 51" West, 735.94 feet  
thence North 69 degrees 40' 37" East, 575.85 feet  
thence South 49 degrees 17' 21" East, 567.27 feet  
thence South 51 degrees 47' 20" West, 598.16 feet  
to the point of beginning.

The above described permitted and disturbed areas are shown on attached map dcc 1496.

Permit ACT/045/012 in addition to the above described permitted area includes a 50 foot wide right of way for a haulage road that runs southerly and southeasterly from the quarry area to a paved highway leading to Rowley Junction at I-80. The right of way is 8,358 feet long and crosses portions of Sections 21, 22 and 27, T.1 N., R.8 W. The center line of this right of way is described as follows:

Beginning at a point in the center of the existing road that is South 89 degrees 50' West, 143.0 feet from the North quarter corner of said Section 21:

thence South 23 degrees 11' West, 475 feet  
thence South 5 degrees 52' East, 600 feet  
thence South 45 degrees 12' East, 772 feet  
thence South 48 degrees 07' East, 3084 feet  
thence South 39 degrees 02' East, 860 feet  
thence South 39 degrees 01' East, 389 feet  
thence South 41 degrees 59' East, 425 feet  
thence South 56 degrees 42' East, 698 feet  
thence South 56 degrees 37' East, 1055 feet  
to a point that is in the west boundary of paved highway going to Rowley Junction. Said point is located 2539 feet South 76 degrees 01' East from the corner common to Sections 21, 22, 27 and 28 aforesaid Township and Range.

The location of this haulage road is shown on attached print  
doc 1439



DOGM  
MINERALS PROGRAM  
FILE COPY

State of Utah, Department of Natural Resources  
Division of Oil Gas and Mining  
355 W. North Temple, 3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

**IDEAL**

Re: Ideal merger into parent company Holnam Inc.  
Transfer of Approval Order ACT/045/012

To: Permit Section:

Ideal Basic Industries, Inc. (hereinafter "Ideal"),  
hereby gives notice that on or about March 7, 1990, it will  
merge into its parent company, Holnam Inc. Ideal will cease  
to exist as an independent entity and all assets and  
liabilities of Ideal will be transferred by operation of law  
to Holnam Inc. The operations conducted at the Poverty Point  
Limestone Quarry located in Tooele County, Utah, however will  
remain in all aspects the same as when Ideal functioned as a  
subsidiary of the parent company, Holnam Inc.

We assume that your receipt of this statement of  
acceptance and the attached letter of bonding surety suffices  
to initiate the transfer of the Approval No. ACT\045\012  
Poverty Point Limestone Quarry from Ideal, the former owner-  
operator, to Holnam Inc., the entity that will become the new  
owner-operator, on or about March 7, 1990.

Feb. 15, 1990

Yours truly,



T. Frank Gamble  
Vice President and General Manager  
Utah Division, Ideal Basic Industries





6 Stamford Forum  
STAMFORD, CT 06901  
Telephone 203/978 00 50  
Telefax 203/325 00 82

Hofi North America, Inc.

### Transfer Agreement

This Agreement is entered into this date by Ideal Basic Industries, Inc. (hereinafter "Ideal"), and Holnam Inc. in order to effect a transfer of Department of Natural Resources Approval No. ACT/045/012 Poverty Point Limestone Quarry, Tooele County, and the responsibility, coverage and liability thereunder from Ideal to Holnam Inc.

On the date such transfer becomes effective, Holnam Inc. agrees to assume the responsibility, coverage and liability of Permit No. ACT/045/012 and Ideal agrees to relinquish all rights which it may have under said permit.

This agreement is entered into by both parties this 15th day of February, 1990. The Transfer is to become effective on or about March 7, 1990.

Charles R. Johnson  
Witness

IDEAL BASIC INDUSTRIES  
By: David T. Lunn  
Senior Vice President  
Signature and Title of  
Responsible Corporate  
Officer (Vice President  
or Higher)

Sharon M. Wendel  
Witness

HOLNAM INC.  
BY: Robert J. Noin  
Vice President  
Signature and Title of  
Responsible Corporate  
Officer (Vice President  
or Higher)

Feb. 15, 1990



SURETY RIDER

AFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
FIRST NATIONAL INSURANCE COMPANY  
OF AMERICA  
HOME OFFICE: SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

To be attached to and form a part of

Type of Bond: Mined Land Reclamation

Bond No. \_\_\_\_\_

dated effective February 20, 1981  
(Month, Day, Year)

executed by IDEAL BASIC INDUSTRIES, INC., as principal,  
(Principal)

and by Safeco Insurance Company of America, as surety,  
(Surety)

in favor of State of Utah, Department of Natural Resources

(Obligee)

In consideration of the mutual agreements herein contained the  
Principal and the Surety hereby consent to changing

Name of Principal

From: Ideal Basic Industries, Inc.

To: HOLNAM INC.

Nothing herein contained shall vary, alter or extend any provision  
or condition of this bond except as herein expressly stated.

This rider is effective March 7, 1990  
(Month, Day, Year)

Signed and Sealed February 28, 1990  
(Month, Day, Year)

HOLNAM INC.

Principal

By:

Robert D. Min, Vice President  
Title

Safeco Insurance Company of America

Surety

By:

Vera T. Kalba  
Vera T. Kalba

Attorney-In-Fact



POWER  
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA  
GENERAL INSURANCE COMPANY OF AMERICA  
HOME OFFICE SAFECO PLAZA  
SEATTLE, WASHINGTON 98185

No. \_\_\_\_\_

KNOW ALL BY THESE PRESENTS:

That **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA**, each a Washington corporation, does each hereby appoint

-----PATRICIA A. PHILLIPS; VERA T. KALBA; MaSHARON D. POSEY; PAMELA J. HANSEN;  
Denver, Colorado-----

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby

IN WITNESS WHEREOF, **SAFECO INSURANCE COMPANY OF AMERICA** and **GENERAL INSURANCE COMPANY OF AMERICA** have each executed and attested these presents

this 9th day of January, 19 90

CERTIFICATE

Extract from the By-Laws of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA**:

"Article V, Section 13. — FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of **SAFECO INSURANCE COMPANY OF AMERICA**  
and of **GENERAL INSURANCE COMPANY OF AMERICA** adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Boh A. Dickey, Secretary of **SAFECO INSURANCE COMPANY OF AMERICA** and of **GENERAL INSURANCE COMPANY OF AMERICA**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 28th day of FEBRUARY, 19 90

RECEIVED  
JAN 14 1985

*To: Pam - for review*  
Ideal Basic Industries  
Ideal Plaza—950 17th Street  
P.O. Box 8789  
Denver, Colorado 80201  
303 623 5661  
*Rm 1/14*

DIVISION OF  
OIL, GAS & MINING

**IDEAL**

January 8, 1985

State of Utah  
Natural Resources & Energy  
Oil, Gas & Mining  
4241 State Office Building  
Salt Lake City, Utah 84114

Re: Bonding of Poverty Point Limestone Quarry - Permit  
No. ACT/045/012 (lease 36110), Tooele County, Utah

Dear Sirs:

In compliance with your directive of 3/16/81, in which Ideal Basic Industries, Inc. was requested to annually revise the bond on the above referenced quarry, using a 13% annual inflation rate for the life of the operation, enclosed please find the Increase Endorsement from \$12,600 to \$13,900.

Sincerely,

*Patricia Mueller*

Patricia Mueller  
Insurance Technician

PM:me

Enclosure

cc: Paul Thomsen - Exploration

INCREASE ENDORSEMENT

Attached to and Forming Part of Bond No. \_\_\_\_\_

Issued by SAFECO INSURANCE COMPANY OF AMERICA

On Behalf of IDEAL BASIC INDUSTRIES, INC.

In Favor of STATE OF UTAH

Dated June 20, 1983

In consideration of an additional premium it is understood and agreed that effective the 4th day of January, 1985, and subject to all the terms, conditions and limitations of the attached bond, the penal sum thereof shall be and the same is hereby increased to\* THIRTEEN THOUSAND NINE HUNDRED AND NO/100----- Dollars (\$ 13,900.00-----).

PROVIDED, however, that:

- (a) Liability under said bond as hereby increased shall not be cumulative;
- (b) Liability under said bond shall not exceed the amount of the bond in force at the time the loss occurred; and
- (c) In no event shall liability under said bond exceed the sum of\* THIRTEEN THOUSAND NINE HUNDRED AND NO/100-- Dollars (\$ 13,900.00-----).

Signed, sealed and dated the 4th day of January, 1985.

IDEAL BASIC INDUSTRIES, INC.

By M. J. Gittelman  
M. J. Gittelman, Treasurer

SAFECO INSURANCE COMPANY OF AMERICA

By Sheryll Pietrantonio  
Sheryll Pietrantonio, Attorney-in-fact

**the Talbert corporation**  
SURETY BONDS AND INSURANCE

P. O. BOX 9364, DENVER, CO. 80209  
AREA CODE 303/839-1773

\*Insert in both spaces the amount of increased bond.



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116



## THE MINED LANDS RECLAMATION ACT

## BOND

\*\*\*\*\*

KNOW ALL MEN BY THESE PRESENCE, that the undersigned Ideal Basic Industries, Inc. as principal, and SAFECO INSURANCE COMPANY OF AMERICA as surety, are held and firmly bound unto the State of Utah, Division of Oil, Gas, and Mining, in the penal sum of Seven Thousand Five Hundred dollars (\$7500.00) for the payment of which sum, will and truly be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH that whereas the above named principal did on the 23rd day of June 1980, file with the Division of Oil, Gas, and Mining a "Notice of Intention to Commence Mining Operations" and a "Mining and Reclamation Plan", to secure authorization to engage in mining operations in the State of Utah, under the terms and provisions of the Mined Land Reclamation Act; that in said Notice the principal estimated that fifteen (15) acres of land will be affected by mining. Said land is described as follows in Exhibit "A" attached hereto. Note: The initial area to be affected includes six (6) acres outlined in red on Exhibit "A" as well as nine (9) acres of BLM road way (R/W Grant U-45959).

NOW, if the said principal shall satisfactorily reclaim the above mentioned lands affected by mining by said principal in accordance with the Mining and Reclamation Plan and shall faithfully perform all requirements of the Mined Land Reclamation Act, and comply with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect until the reclamation is completed as outlined in the approved Mining and Reclamation Plan.

If the said approved plan provides for reclamation of the land affected on a piecemeal or cyclic basis, and said land is reclaimed in accordance with such plan, then this bond may be reduced periodically.

In the converse, if the said plan provides for a gradual increase in the area of the land affected or increased reclamation work, then this bond may accordingly be increased with the written approval of the surety company.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officers with the seal of the corporation affixed.

IDEAL BASIC INDUSTRIES, INC.

Principal (Company)

Date: 2/20/81By: R. W. Suppes

Company Official - position

R. W. Suppes, Sr. Vice President

SAFECO INSURANCE COMPANY OF AMERICA

Surety (Company)

Date: 2/20/81By: P. J. Farmer

Official of Surety - Position

P. J. Farmer, Attorney-in-Fact

the Talbert corporation  
SURETY BONDS AND INSURANCE

P. O. BOX 9364, DENVER, CO. 80209  
AREA CODE 303/839-1773





No. \_\_\_\_\_

**KNOW ALL BY THESE PRESENTS:**

That **SAFECO Insurance Company of America**, a Washington corporation, does hereby appoint

-----B. R. CLARK; CHARLES H. FLECK; COURTNEY T. PETERSON;  
CAROL BRONDER; ROBERT S. GILL; BEN L. MATTHESEN; NELSON D. BROWN; DARREL C. R. OLSON;  
MARILYN SKRIFVARS; P. J. FARMER; ROBERT J. SUNICH; LEON B. DARTOIS; JAMES S. ROSULEK,  
Denver, Colorado-----

its true and lawful attorney(s)-in-fact, with full authority to execute on behalf of the company fidelity and surety bonds or undertakings and other documents of a similar character issued by the company in the course of its business, and to bind **SAFECO Insurance Company of America** thereby as fully as if such instruments had been duly executed by its regularly elected officers at its home office.

**IN WITNESS WHEREOF, SAFECO Insurance Company of America** has executed and attested these presents

this \_\_\_\_\_ 19th \_\_\_\_\_ day of \_\_\_\_\_ September \_\_\_\_\_, 19 80.

*[Signature]*  
J. J. HAMMERSLA, SECRETARY

*[Signature]*  
B. R. CLARK, PRESIDENT

**CERTIFICATE**

Extract from the By-Laws of **SAFECO Insurance Company of America**:

"Article VI, Section 13.—FIDELITY AND SURETY BONDS . . . the President, any Vice President, and the Secretary shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of  
**SAFECO Insurance Company of America** adopted July 28, 1970 and as amended February 2, 1977

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,  
(i) The provisions of Article VI, Section 13 of the By Laws, and  
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and  
(iii) Certifying that said power-of-attorney appointment is in full force and effect,  
the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, W.D. Hammersla, Secretary of **SAFECO Insurance Company of America**, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of this corporation, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

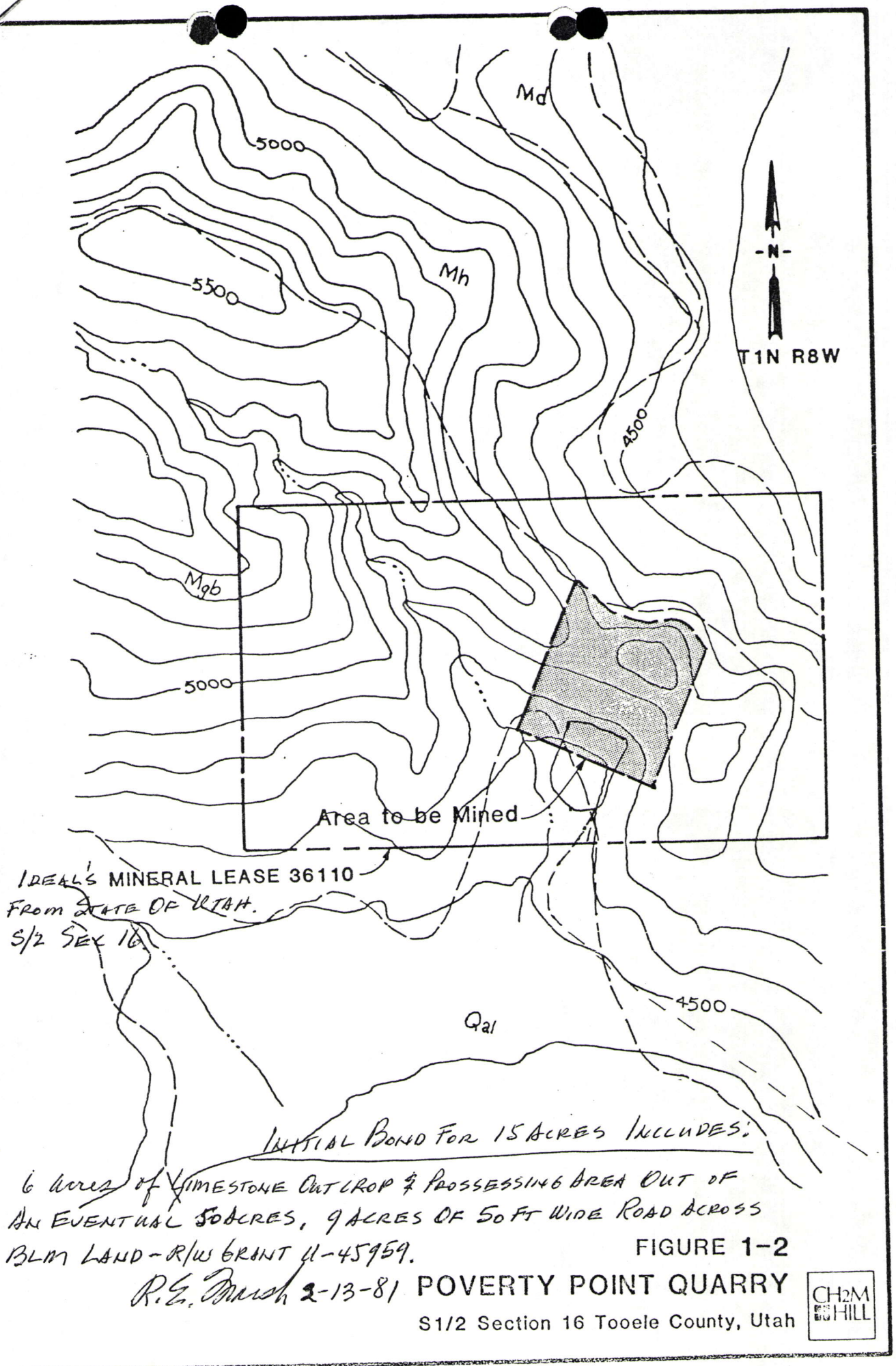
**IN WITNESS WHEREOF, I** have hereunto set my hand and affixed the facsimile seal of said corporation

this \_\_\_\_\_ 20th \_\_\_\_\_ day of \_\_\_\_\_ February \_\_\_\_\_, 19 81.



*[Signature]*  
J. J. HAMMERSLA, SECRETARY







For Division Use:

File No.: \_\_\_\_\_

Effective Date: \_\_\_\_\_

DOGM Lead: \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

DOGM  
MINERALS PROGRAM  
FILE COPY

TRANSFER OF NOTICE OF INTENTION  
LARGE MINING OPERATIONS

---ooOoo---

1. (a) Notice of intention to be transferred (file number): ACT/045/012  
(b) Name of mining operation: Poverty Point Limestone Quarry  
(c) Location of mining operation (county): Tooele County  
(d) Name, telephone number and mailing address of the operator currently holding the notice of intention (transferor):  
Ideal Basic Industries Utah Division  
6055 East Croydon Road Auxiliary Route No. 3  
Morgan, Utah 84050 801-829-6821
2. (a) Name, telephone number and mailing address of the operator acquiring the notice of intention (transferee):  
Holnam Inc. 313-529-2411  
c/o Dundee Cement Company  
P.O. Box 122  
Dundee, Michigan 48131  
(b) Name, telephone number and address of the authorized representatives of the Transferee to whom any notices under the provisions of the Utah Mined Land Reclamation Act may be sent:  
L. B. Giles, Plant Manager 801-829-6821  
Holnam Ideal Cement  
6055 East Croydon Road Auxiliary Route No. 3  
Morgan, Utah 84050
3. (a) The total disturbed area identified in the approved notice of intention: 59 acres  
(b) The actual number of acres disturbed by the operation through date of transfer: 8.3 acres +9 acres associate roadway  
(c) Attach a legal description of above acreages as Appendix "A" and a map of suitable scale with actual disturbed areas clearly shown and identified.
4. This application must be accompanied by a fully executed and signed Reclamation Contract (Form MR-RC).

I, Robert J. Moir being first duly sworn under oath,  
deposes and says that I am Vice President  
(officer or agent)  
of Ideal Basic Industries; and that I am duly authorized to  
(Corporation/Company Name)  
execute and deliver the foregoing obligations; that I have read the said  
application and fully know the contents thereof; that all statements contained  
in the transfer application are true and correct to the best of my knowledge  
and belief. By execution of this statement I certify that the Transferor is  
in full compliance with the Utah Mined Land Reclamation Act, the Rules and  
Regulations promulgated thereunder, and the terms and conditions of Notice of  
Intention No. ACT/045/012.

Robert J. Moir  
Signature  
Robert J. Moir  
Name (Typed or Print)  
Vice President  
Title

Subscribed and sworn before me this 24<sup>th</sup> day of April, 1990.

B. H. Frozier  
Notary Public

June 6, 1993

State of Colorado )  
 ) ss.  
County of Denver )

FINAL SWORN STATEMENT OF TRANSFEREE

Robert J. Moir being first duly sworn under oath,  
depose and say that I am Vice President  
(officer or agent)  
of Holnam, Inc; and that I am duly authorized to  
(Corporation/Company Name)

execute and deliver the foregoing obligations; that I have read the  
application and fully understand the contents thereof; that all statements  
contained in the transfer application are true and correct to the best of my  
knowledge and belief. By execution of this statement, the Transferee agrees  
to be bound by the terms and conditions of Notice of Intention  
No. ACT/045/012, the Utah Mined Land Reclamation Act, and the Rules and  
Regulations promulgated thereunder.

Robert J. Moir  
Signature  
Robert J. Moir  
Name (Typed or Print)  
Vice President  
Title

Subscribed and sworn before me this 24th day of April, 1990.

B. H. Frozier  
Notary Public

My commission Expires:

June 6, 1993.

State of Colorado )  
County of Denver ) ss.  
)

CERTIFICATION OF APPROVAL

This is to certify that I have examined the foregoing application and do hereby grant the same, subject to the following limitations and conditions:

- (a) This transfer of notice of intention grants only the right to affect the lands described in Appendix "A".
- (b) The transferee has provided to the Division a fully executed and signed Reclamation Contract (Form MR-RC). The surety shall be effective on the date of transfer.
- (c) The transferee, or such other person as required by UCA 1953, Title 40-8, has acquired legal right to mine for lands described in Appendix "A".

COMMENTS:

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APPROVED: \_\_\_\_\_  
(Signature)  
Director, Division of Oil, Gas and Mining

Effective Date: \_\_\_\_\_  
NOI No.: \_\_\_\_\_ ACT/045/012

APPROVED AS TO FORM:

\_\_\_\_\_  
(Signature)  
Assistant Attorney General

MN9/45-48